

Indiana Long Term Care Insurance Program

Quarter 3-2008 Report

July 1, 2008 through September 30, 2008



Completed on January 16, 2009

QUARTERLY SUMMARY REPORT – INDIANA

	QUARTER 3-2008	TO DATE
Applications Received:	746	51,924
Applications Denied:	156	8,036
Applications Pending & Withdrawn:	N/A	808
Policies Purchased:	585	44,696
Policies Dropped (voluntarily & for unknown reasons*):	127	4,788
Policies Not Taken Up: (dropped within 30 day free look period)	12	2,410
Total Policies In Force (active):	N/A	36,247
Policyholders Who Received Service Payments:	228	654

** Does not include drops reported as deaths, rescissions or exhausted benefits.*

**Indiana Long Term Care Insurance Program:
Statistics for Quarter Ending September 30, 2008
In Comparison To Cumulative Program Statistics**

	Quarter ending 09-30-08	Cumulative as of 09-30-08
Total Policies Purchased	585	44,696
Total Policies Dropped *	<u>204</u> Died 63 (30.9%) Voluntarily 66 (32.4%) Unknown 61 (29.9%) Not Taken Up 12 (5.9%) Exhausted Benefits 2 (0.5%)	<u>8,449</u> Died 1,110 (13.1%) Voluntarily 2,123 (25.1%) Unknown 2,665 (31.5%) Not Taken Up 2,410 (28.5%) Converted 78 (0.92%) Exhausted Benefits 57 (0.7%) Rescission 2 (<1%) Non-Forfeiture 4 (<1%)
Policies Not Taken Up During 30 Day Free Look		
Policies in Force	N/A	36,247

**Does not include exhausted or rescissions.*

This information was based on quarterly and cumulative policies in force.

Nursing Home and Home Care Policies.	580 (99.2%)	32,779 (90.3%)
Nursing Home Only Policies	5 (0.85%)	3,424 (9.5%)
First Time Purchasers	574 (98.1%)	34,418 (95%)
Upgrades or Replacements	11 (1.5%)	1,784 (4.9%)
Individual	532 (90.8%)	34,391 (94.9%)
Group Certificates	0 (0%)	287 (0.8%)
Organization Sponsored	53 (9.1%)	1,524 (4.2%)
Male	250 (42.7%)	15,622 (43.1%)
Female	335 (57.3%)	20,581 (56.8%)
Married	494 (84.4%)	28,773 (79.4%)
Not Married	90 (15.4%)	7,103 (19.6%)
Unknown	1 (0.1%)	363 (1%)
Civil Union or Domestic Partner	0 (0%)	8 (<1%)

INDIANA LONG TERM CARE INSURANCE PROGRAM

Statistical Summary

Period: July 1, 2008 – September 30, 2008

Report Prepared 1-16-2009

The Indiana Long Term Care Insurance Program (ILTCIP) is an innovative public/private partnership between the Indiana Medicaid Program and private long term care insurance companies, designed to help Indiana residents finance their potential long term care without fear of impoverishment. The Program began operation on May 17, 1993, with state approval of the first eight participating insurers. Actual marketing of Indiana Partnership policies by these companies began later that summer.

This report presents information for the quarter ending September 30, 2008, in the form of quarterly-specific and cumulative statistics since the Program's inception.

Highlights from this quarter include the following:

- **Policies purchased during this quarter were 585!**
- **Cumulatively, 51,924 applications have been submitted with over 44,500 policies purchased!**
- **Comprehensive policies continue to be the primary type of policy being purchased. For example, 99.2% of all policies purchased in Q3'08 were comprehensive while only 1% were for nursing home only.**
- **Cumulatively, the number of comprehensive policies purchased has increased from 89% of all sales in (Q3'07) to 90% of all sales in (Q3'08).**
- **61.2% of policies purchased during Q3'08 qualify for Total Asset Protection. Cumulatively, 85.6% of all policies purchased qualify for Total Asset Protection.**
- **95.5% of all policies purchased have been by first time purchasers.**
- **The average age of policy purchasers is 60.87. Age range of purchasers is 18 to 89.**
- **Cumulatively, 73% of all policyholders were age 65 or under at the time of purchase.**

Indiana Long Term Care Insurance Program
Fact Sheet For Quarter 3, 2008

PARTICIPATING COMPANIES:

Allianz – Individual	Metropolitan Life - Individual: Tax Qualified
Bankers Life and Casualty – Individual: Tax Qualified	Monumental Life – Individual: Tax Qualified
CNA –Group: Tax Qualified	Penn Treaty Network America - Individual
Genworth – Individual: Tax Qualified	Prudential Ins. Co of America – Tax Qualified
John Hancock – Individual: Tax Qualified	State Farm – Individual: Tax Qualified
Life Investors – Individual: Tax Qualified	United Teachers Associates Insurance Company
MedAmerica – Individual & Group: Tax Qualified	

Sixteen companies provided data during Quarter 3, 2008.

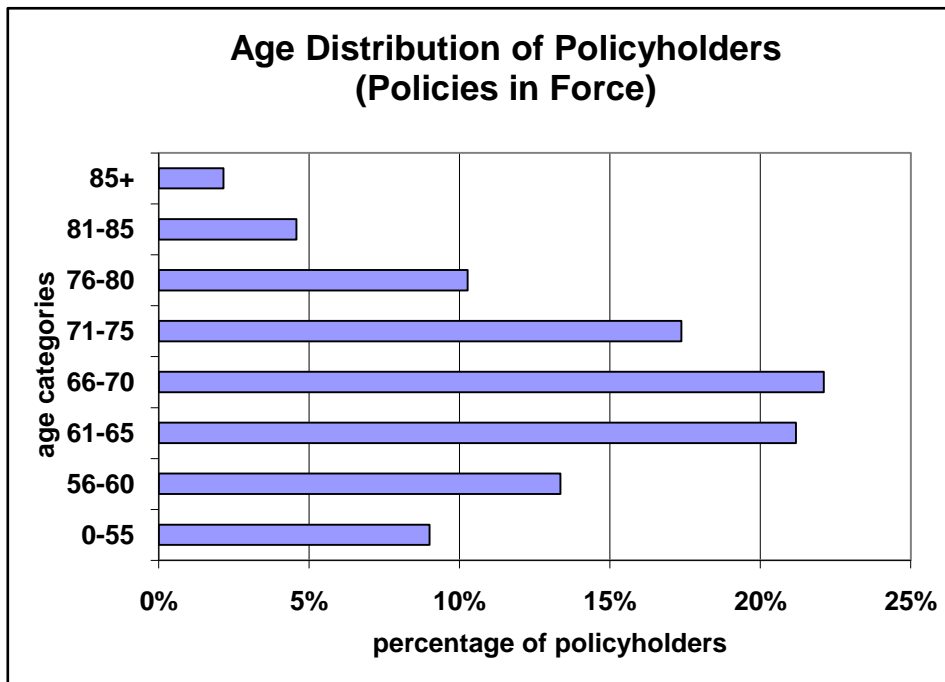
Age Distribution of Partnership Policyholders at Time of Purchase

Age Range Average Age

Policy Category	Low	High	
Individual Policyholders	18	89	61.13
Group Certificate holders	23	74	50.21
Organization Sponsored	20	84	57.10
All Insured	18	89	60.87

Age Distribution of Policyholders (Policies in Force)

Age Category	Percentage of Policyholders
86+	2.15%
81-85	4.57%
76-80	10.25%
71-75	17.36%
66-70	22.08%
61-65	21.16%
56-60	13.33%
0-55	9.0%



Nursing Home Per Diem Amounts (Policies in Force):

Average Amount: \$134.39

Mode: \$150.00 (11.53% of all purchasers)

Home Care Per Diem Amounts (Policies in Force):

Average Amount: \$124.05

Mode: \$150.00 (9.5% of all purchasers)

Elimination Periods (Policies in Force):**Nursing Homes:**

0 days	1,688 (4.66%)
9 days	1 (<1%)
15 days	47 (0.13%)
20 days	1,087 (3.00%)
30 days	5,399 (14.90%)
45 days	654 (1.80%)
50 days	1,768 (4.88%)
60 days	1,307 (3.61%)
90 days	13,236 (36.52%)
100 days	10,258 (28.30%)
120 days	2 (0.01%)
180 days	753 (2.08%)

Home and Community Care:

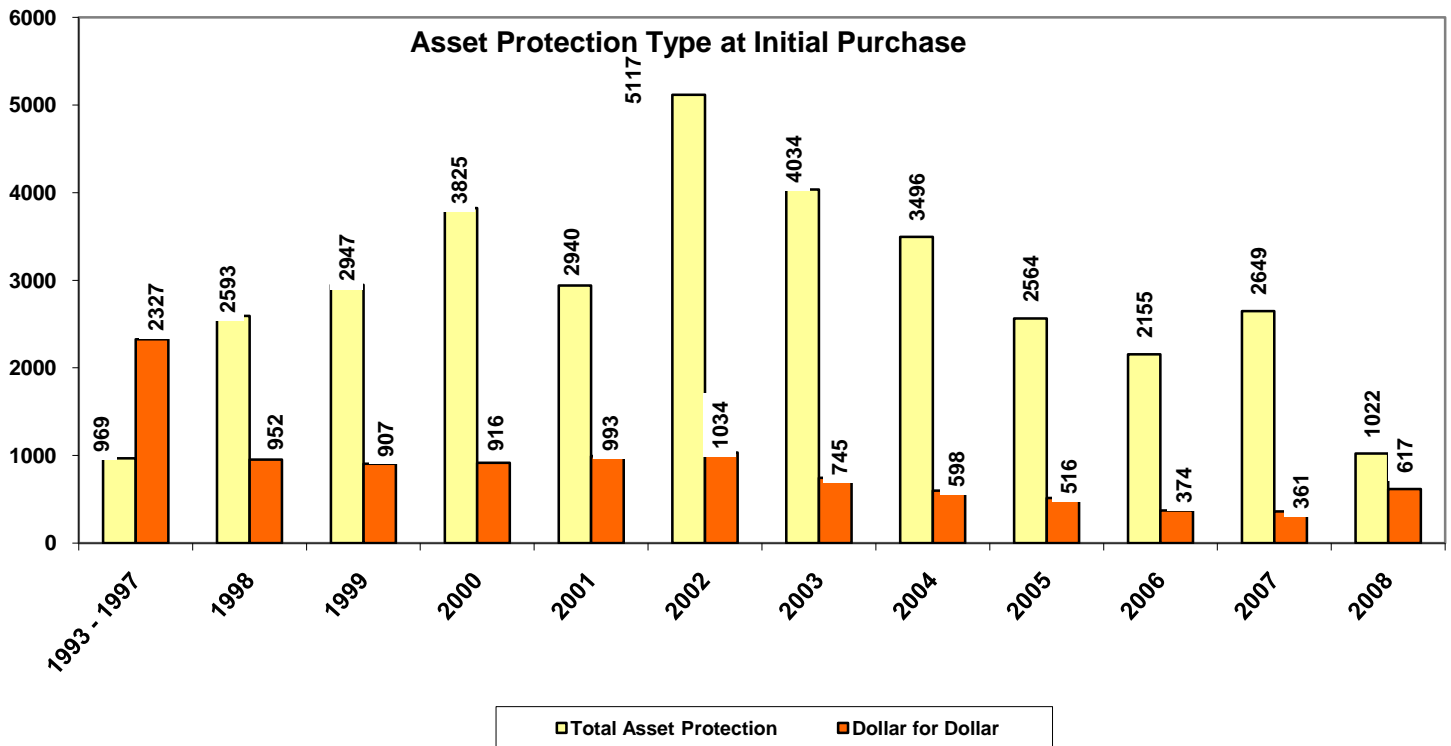
0 days	13,142 (36.26%)
10 days	3 (0.01%)
14 days	224 (0.62%)
15 days	30 (0.08%)
20 days	907 (2.50%)
30 days	4,144 (11.43%)
45 days	652 (1.80%)
50 days	25 (0.07%)
60 days	943 (2.60%)
90 days	8,431 (23.26%)
100 days	3,776 (10.42%)
180 days	597 (1.65%)

Riders:

Non-Forfeiture	160	(0.44%)
Restoration of Benefits	453	(1.25%)
Spousal Benefit Enhancement	663	(1.83%)
Other Riders	957	(2.64%)

Asset Protection Type at Initial Policy Purchase By Policy Effective Date

Quarter 3-2008	Cumulative at Time of Purchase
Policies Purchased by Quarter	585
Policies Purchased by Cumulative	44,696
Total Asset Protection by Quarter	358
Total Asset Protection by Cumulative	34,845
Dollar for Dollar by Quarter	227
Dollar for Dollar by Cumulative	9,851



*Total Asset Protection became available 3-12-98 & grand fathered in those policies with coverage at initial purchase equal to or greater than state-set-dollar amount for 1998.

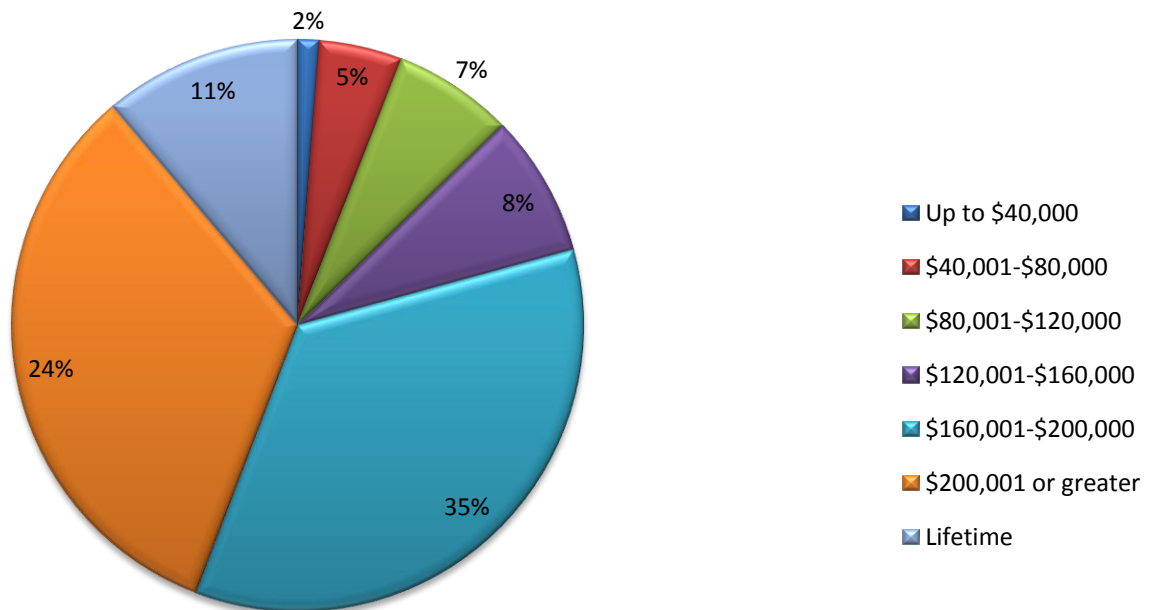
Maximum Policy Amount of Policies in Force:

Range: \$21,977 - \$6,504,300 (plus 3,933 lifetime policies)

Average amount: \$193,142 (not including lifetime policies)

Maximum Benefit Amounts Selected By All Purchasers (Policies in Force)

Maximum Benefit Amount at Time of Purchase	All Purchasers
Up to \$40,000 Approx: (1 yr)	402 (1.1%)
\$40,001 - \$80,000 (2 yrs)	1,634 (4.5%)
\$80,001 - \$120,000 (3 yrs)	2,399 (6.6%)
\$120,001 - \$160,000 (4 yrs)	2,982 (8.2%)
\$160,001 - \$200,000 (5 yrs)	12,724 (35.1%)
\$200,001 or greater (6 yrs +) (excluding lifetime)	12,173 (33.6%)
Lifetime Policies	3,933 (11.0%)



Policyholders in Benefit Information as of September 30, 2008

Benefit Status

Number of policyholders, to date, who have received benefit payments.	654
Number of policyholders in benefit as of Quarter 3, 2008.	227
Number of policyholders that received benefits and have died.	215
Number of policyholders, to date, who have exhausted their benefits and applied to Medicaid	30 (58 Exhausted)

Asset protection earned by policyholders to date.	\$29,299,799.56
Asset protection earned to date that will not be accessed (policyholders who have died)	\$7,194,056.39

Service Utilization

Type of Service* (other than case management)	QTY	% of Total Claimants by Type of Service **
Nursing Home Care	436	66.67%
Home Health Aide – hourly care	53	8.10%
Home Health Aide – daily care	61	9.33%
Attendant Care	3	0.46%
Other Institutional	0	0%
Hospital Bed Hold	98	14.98%
Assisted Living	136	20.80%
Adult Day Care	9	1.38%
Personal Care	32	4.89%
Alternate Level of Care	4	0.61%

*These categories are not mutually exclusive; therefore, percents shown will not total 100.

**This is the cumulative status of all claimants. The status and percent (%) will change as the claimant's status changes.

CLAIMANT PROFILE
Cumulative Aggregate of All Policyholders Who Used Benefits
As of September 30, 2008

Gender	Female	66.82%
	Male	34.25%
Marital Status	Not Married	43.43%
	Married	52.29%
	Unknown	4.28%
Average Age At The Time Of Policy Purchase		61.7
Average Age At The Time Of Claim		77.8
Age Range At Time Of Claim	Range =	44 – 97
	Mean =	78.72
	Median =	79
Policy Type Owned:	Nursing Home Only	30.12%
	Nursing Home & Home Care	73.24%

Average time elapsed between purchase date and claim date was 81.36 months (6.78 years)